

PERMANENT FUND DIVIDEND DIVISION

ANNUAL REPORT 2017

State of Alaska, Department of Revenue



Downtown Fairbanks, Alaska
Photo by Daniel Fowler

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DIRECTOR'S LETTER

Dear Alaskan,

The Permanent Fund Dividend Division experienced many “firsts” in 2017. As a result of the Alaska Legislature passing HB 57 the amount of the 2017 dividend was set at \$1,100.00. Since 1982, the first year dividends were disbursed to Alaskans, the amount of income available for distribution has been based on a calculation. Between 1983 and 1986 the concept of a calculation method was created and modified, but the method enacted into law in 1986 is still outlined in statute today. Although HB 57 eliminated the anticipation and surprise that many Alaskans have grown to look forward to each year, the process of determining eligibility and the act of disbursing dividends was not impacted.

The 2017 PFD application was the first application in the division’s history that not only allowed Alaskans to apply for a permanent fund dividend (PFD), but simultaneously registered them to vote. In 2016, Alaskans supported an initiative to streamline the voter registration process, which took effect in March of 2017. The new automatic process permits the division to share PFD applicant information with the Division of Elections so qualified individuals do not have to take additional actions to become registered voters. Due to the fact that the law took effect two-thirds of the way through the annual PFD filing season, both divisions had an opportunity to implement the new process with a smaller data subset. Growing pains that come with implementing a new process are much more manageable when working with a smaller group. Through trial, error, and public feedback, improvements were made not only to the process, but also within the PFD application.

Looking into the future, the online application look and feel will be completely different from what Alaskans have seen for the past several years. As the division focuses on motivating individuals to file online to improve efficiencies and reduce division costs, we felt that reinventing the online application to create a more user friendly experience would be a vital step to achieving our goal. Using other successful online applications as inspiration, we began designing and planning. The focus on improving the user’s experience has not only been within the application itself, but considering the applicant’s interactions with the division after the fact. At the point of application the application will be asking more customized information, reducing the need for division follow-up. Our hope is that this will result in a faster, more efficient eligibility determination.

All in all, 2017 was a success. Over 600,000 individuals received their payment by direct deposit or check during the first payment for 2017, on October 5th. By the end of the year that number grew to over 630,000. The success of this division is a direct result of the dedication and hard work of the staff here at the Permanent Fund Dividend Division and the Department of Revenue. I encourage you to continue to provide feedback, so we can strive to offer the best customer service possible.

Sincerely,



PFD Division Director

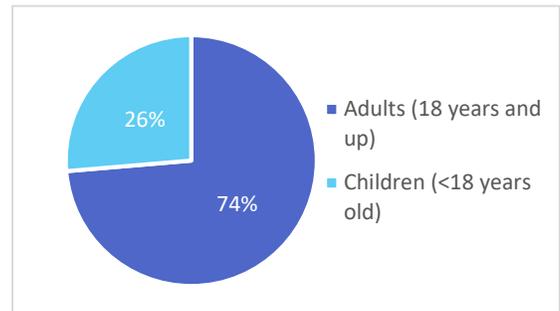
DIVIDEND SUMMARY

The 2017 Permanent Fund Dividend (PFD) amount was **\$1,100.00** for each of the 629,859 qualified applicants, totaling a distribution of roughly \$692,844,900 by the end of the year.

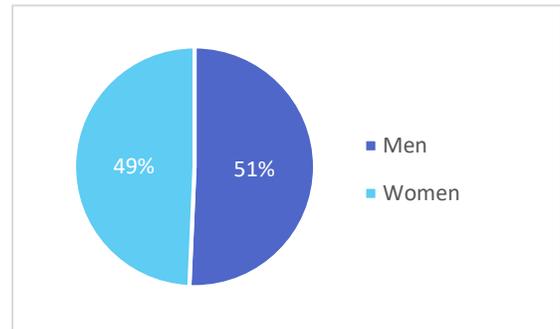
DIVIDEND OVERVIEW

During the 2017 calendar year, the Division received 672,243 total PFD applications. This number includes all valid applications, invalid, duplicate, withdrawn, applications for prior year dividends, and applications submitted solely to establish sponsor eligibility. If we remove all the invalid, duplicate, and withdrawn applications, the division received a total of 666,047 valid applications

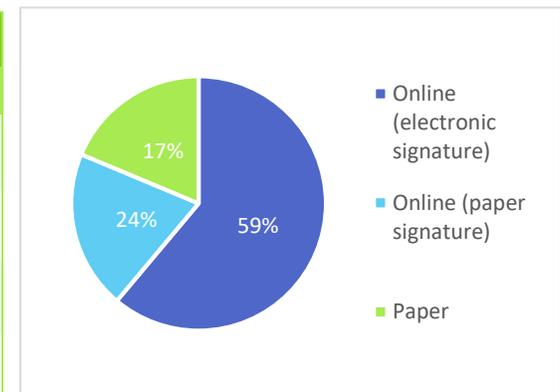
Applicants by Age (valid 2017 dividend only)		
Group	Filed	%
Adults (18 years and up)	490,840	73.69%
Children (<18 years old)	175,207	26.31%
Total	666,047	100.00%



Applicants by Gender (valid 2017 dividend only)		
Group	Filed	%
Men	336,707	50.55%
Women	329,340	49.45%
Total	666,047	100.00%



Applicants by Filing Method (valid 2017 dividend only)		
Method	Filed	%
Online (electronic signature)	389,665	58.50%
Online (paper signature)	160,716	24.13%
Paper	115,666	17.37%
Total	666,047	100.00%



DIVIDEND SUMMARY

DIVIDEND CALCULATION

Annually, the dividend amount is calculated and announced mid-September based on an estimated number of applicants. An estimate is used because, as of the dividend calculation date, eligibility determinations have not been completed for all applications. A number of these applications will be determined as payable after continued processing. Also, some applicants have filing due dates extended until March 31, 2018, such as the estate and disabled applications.

Amount Available for Dividends

FY 17 PFD Fund Beginning Balance	\$17,727,937.57	
Expenditures to date	\$(175,000.00)	
PFD Fund Balance as of September 1, 2017		\$17,552,937.57
Transfer from Permanent Fund Corporation		
Permanent Fund Earnings (5-year average)	\$725,950,000.00	
Less Appropriations (<i>see below</i>)	\$(38,557,000.00)	
Net Transfer from Permanent Fund Corporation		\$687,393,000.00
Reductions (<i>see below</i>)		\$(673,377.31)
Total Amount Available for Dividends		\$704,272,560.26
Total estimated number of eligible applicants:	640,245	

Appropriations and Reductions Detail

Appropriations

Department of Health and Social Services		
Hold-Harmless Provision for Public Assistance	\$17,724,700.00	
Department of Corrections		
Physical Health Care	\$11,591,000.00	
Department of Revenue, PFD Division		
Administrative Cost	\$8,218,800.00	
Total Department of Revenue, PFD Division	\$8,218,800.00	
Department of Administration		
Violent Crimes Compensation Board	\$1,022,500.00	
Total Appropriations		\$38,557,000.00

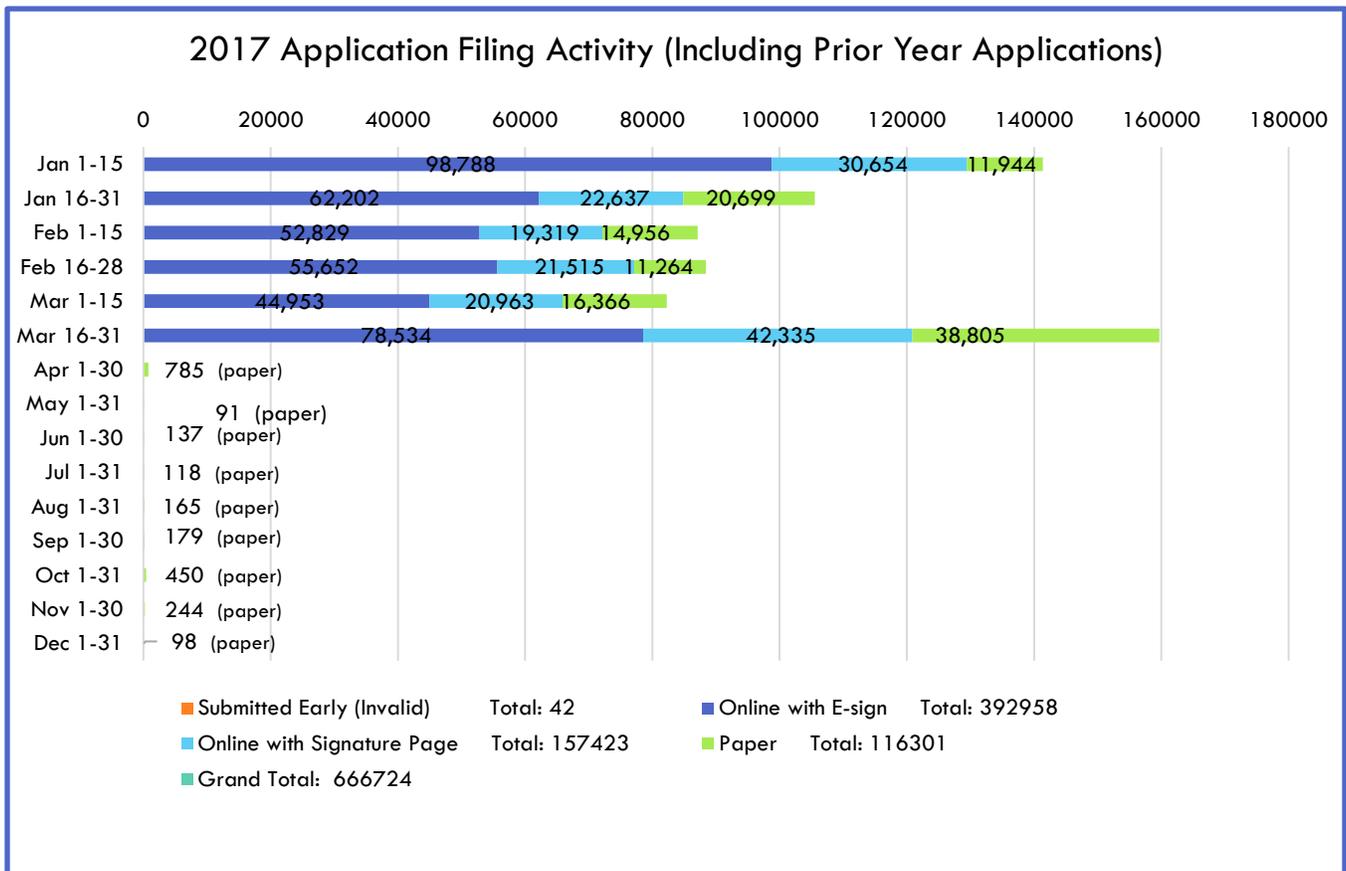
Reductions

Reserve for Prior Year Dividend Liabilities	\$180,335.59	
Reserve for 18-Year-Old Applications for Prior Years	\$447,041.72	
Reserve for Resource Rebate Payments	\$46,000.00	
Total Reductions		\$673,377.31
Total Appropriations and Reductions Detail		\$39,230,377.31

APPLICANT FILING ACTIVITY

The application filing period runs from **January 1st through March 31st** each year. The table below contains detailed numbers gathered during the 2017 filing season, and overall totals for the remainder of the year. Submitting an application online is only available during that time. Paper applications must be received by the Division or postmarked before the end of the filing period to be considered timely.

Total applications received and processed by the Division in 2017 were **666,724**, but the filing activity shown below excludes applications that were determined invalid as duplicates, the incorrect type for the applicant, or submitted solely to establish sponsor eligibility, as well as applications received before the first acceptable filing date. (It does include applications received for Dividend Years other than 2017)



APPLICANT FILING ACTIVITY

REPORTED ABSENCES

Dividend applicants are required to disclose to the Division all absences from the state of Alaska that exceed 90 total days during the qualifying year. The qualifying year for the 2017 Dividend was from Jan. 1, 2016 to Dec. 31, 2016.

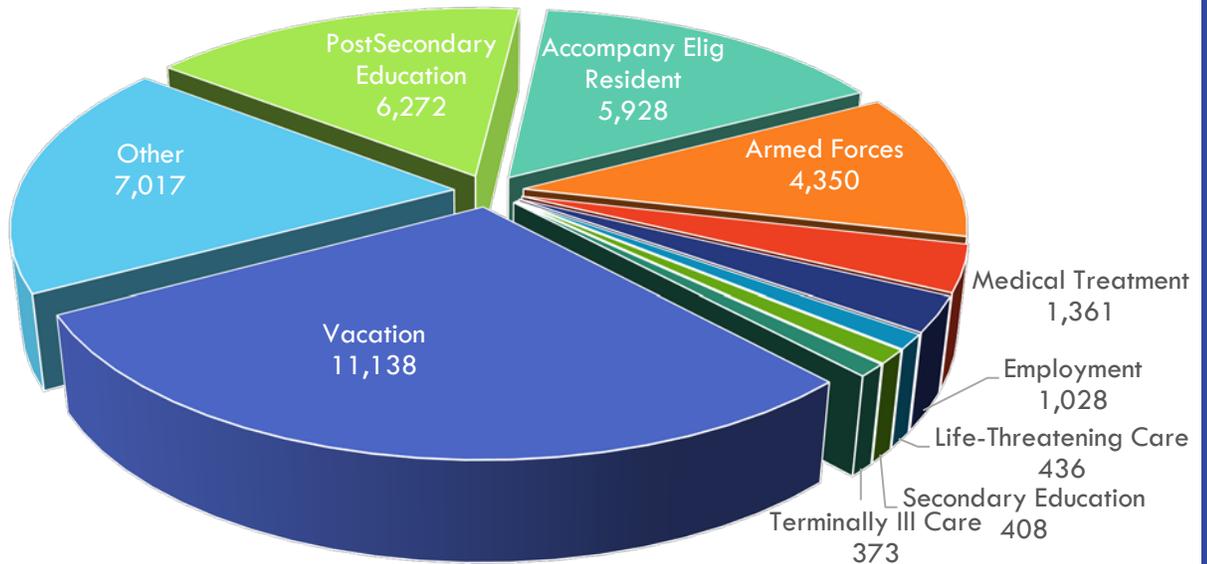
Applicants can claim more than one type of absence, but reported absences cannot overlap each other. Therefore, each day of absence can be reported under only one absence type.

Some absence types only apply to ADULT applicants, others only to CHILDREN, and others to either group.

Top Reasons Why Alaskans Were Absent During the Qualifying Year (2016):

- Vacation -- 11,138 applicants reported
- Other -- 7,017
- Post Secondary Education (Full time college) -- 6,272
- Accompanying an Eligible Resident -- 5,928
- Armed Forces -- 4,350

Top 10 Applicant Reported Absences in 2017



APPLICANT FILING ACTIVITY

Reported absences shown are for 2017 Dividend applications only, representing absences during the 2016 calendar year.

Absence Reason	Applicants Answering Between 91—180 total days absent			Applicants Answering Over 180 total days absent			Grand Total
	ADULT	CHILD	91-180 Total	ADULT	CHILD	>180 Total	
Accompanied an Alaska resident who was eligible for a PFD	487	894	1,381	1,517	3,030	4,547	5,928
U.S. Armed Forces active duty	1,012	--	1,012	3,338	--	3,338	4,350
Served as a member of Alaska's Congressional delegation or staff	6	--	6	28	--	28	34
Sought Employment outside of the state	705	--	705	323	--	323	1,028
Absent as part of a Legal Custody agreement	--	103	103	--	66	66	169
Cared for a direct relative with a critical life-threatening illness	314	19	333	96	7	103	436
Received continuous Medical Treatment	927	68	995	303	63	366	1,361
Served aboard a Merchant Marine Vessel	40	--	40	24	--	24	64
No reason specified	24	5	29	47	24	71	100
Trained or competed as a U.S. Olympic Team member	4	--	4	6	--	6	10
Other Reasons, including business	3,742	451	4,193	2,421	403	2,824	7,017
Served as a federal Peace Corps volunteer	3	--	3	28	--	28	31
Enrolled as a full-time student (Postsecondary Education)	2,349	8	2,357	3,911	4	3,915	6,272
Enrolled as a full-time student (grades 7-12)	48	176	224	87	97	184	408
Settled the Estate of a deceased relative	218	--	218	71	--	71	289
Employed by the State of Alaska	84	--	84	15	--	15	99
Student Fellowship sponsored by the U.S. DOE	19	--	19	10	--	10	29
Cared for a terminally ill family member	229	6	235	137	1	138	373
Vacation	9,460	472	9,932	1,132	74	1,206	11,138

APPLICANT FILING ACTIVITY

APPLICATION TYPES AND COUNTS

The Division classifies applications by type for ease of distribution and updating of forms.

Note:

- Total applications shown below include applications for dividends prior to 2017.
- Eligible Prior Year Applications for 18-year-old filers: Under regulation 15 AAC 23.133, an individual who has reached majority or who is an emancipated minor, may apply for a prior year dividend. An individual who qualifies must meet all eligibility requirements for the respective prior year(s) and must file before the individual reaches 20 years of age. See Alaska Statute 43.23.055(3).

Dividend Filing Activity			
Application Type and Amount			
Adult Applications	Amount	Child Applications	Amount
Adult Online	398,339	Child Online	145,146
Adult Paper	87,185	Child Paper	26,603
Adult Refile (After filing deadline)	347	Child Refile (After filing deadline)	99
Application on Behalf of Another Adult (online and paper)	2,315	Child in Custody of Health and Social Services	3,296
Disabled Individual	195	Estate of Deceased Child	21
Estate of Deceased Adult	897		
Office of Public Advocacy	1,562		
Total Valid Adult Applications			490,840
Total Valid Child Applications			175,165
Prior Year 18-Year-Old Filers (any dividend year)			42
All other Prior-year Dividend Applications			677
Total Valid Applications (any dividend year)			666,724
Invalid, Duplicate, Withdrawn, or Applications Submitted Solely to Establish Sponsor Eligibility			5,519
Total Applications received during 2017			672,243

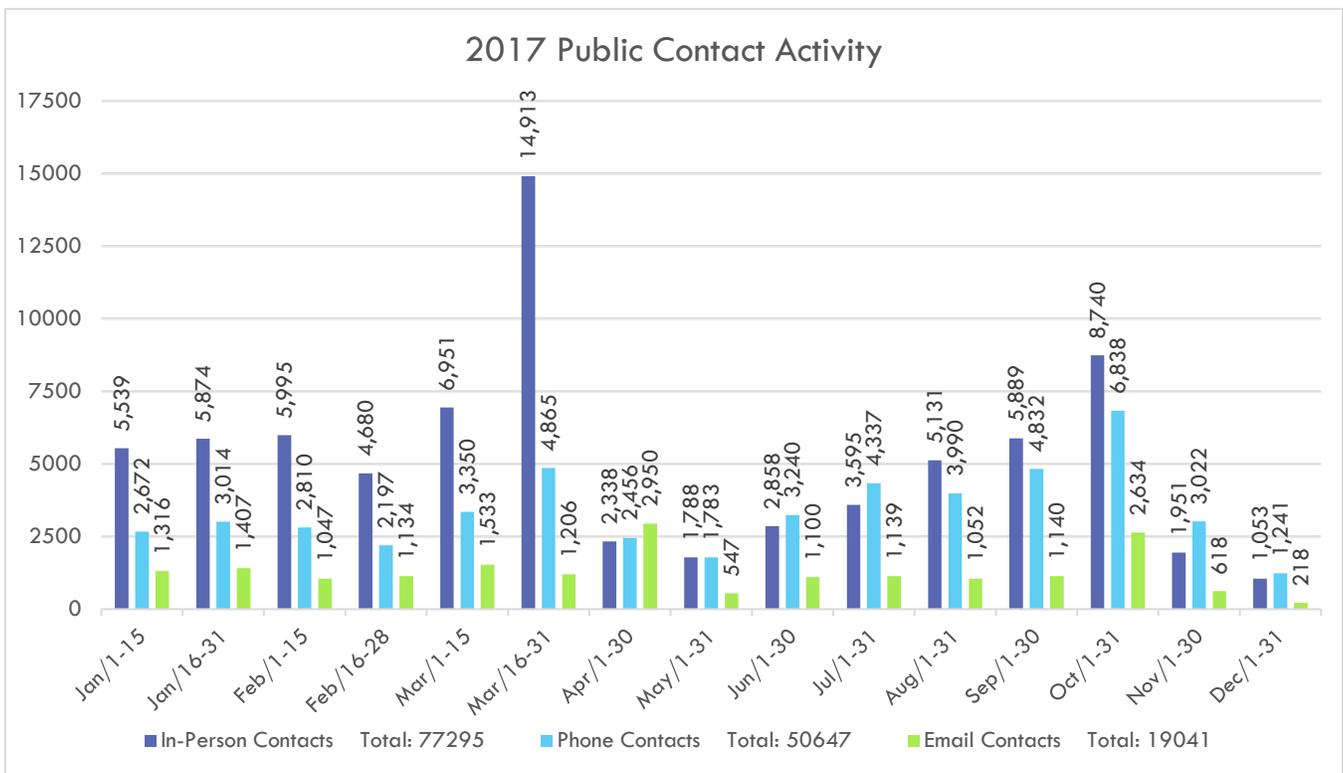
DIVISION PROCESSING ACTIVITY

Division Processing Activity

PUBLIC CONTACT

The application filing period runs from **January 1st through March 31st** each year, encompassing January through March on the bar graph below.

- In-Person Contacts shown here represent walk-in traffic across all three of the Division offices; Juneau, Anchorage, and Fairbanks.
- Phone Contacts are calls received by the Division through general public lines. These numbers do not include direct-dialed calls from applicants to Division personnel or vice-versa.
- Email Contacts represented on the graph below are those received by the Division through dor.pfd.info@alaska.gov. Electronic contact directly between individual PFD technicians and applicants are not represented.



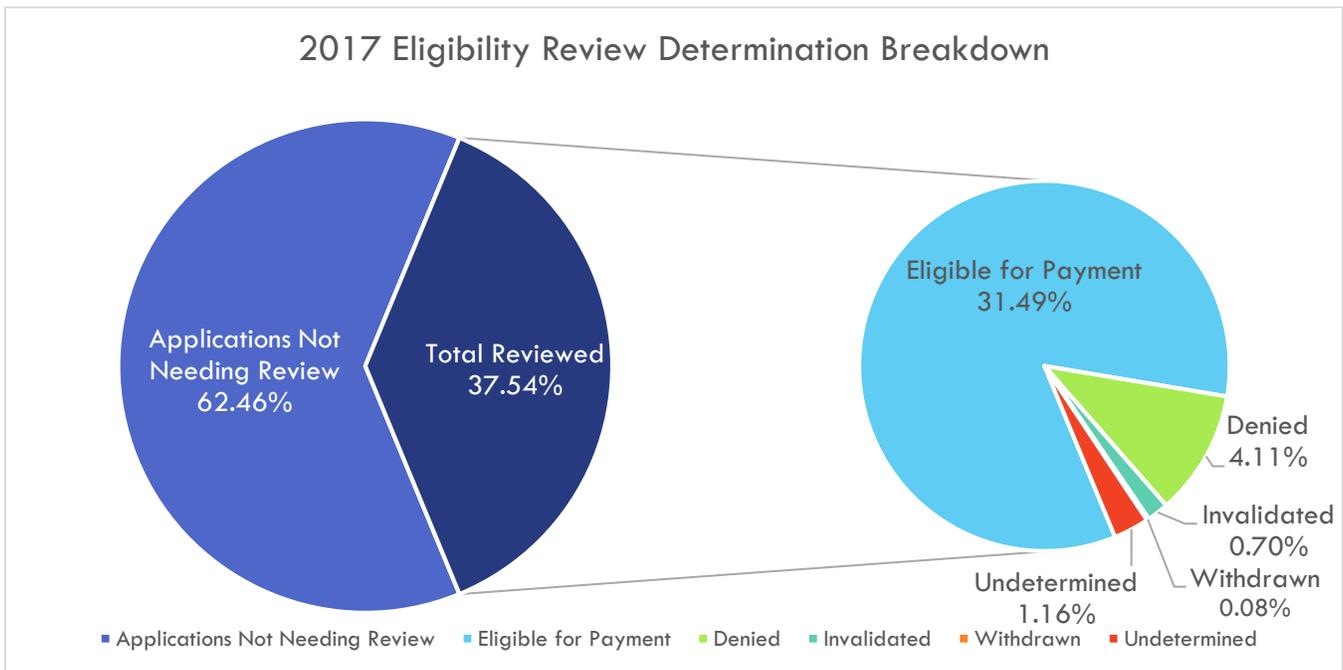
DIVISION PROCESSING ACTIVITY

ELIGIBILITY REVIEW

All applications received by the Division are initially processed in the order of receipt. Each application is evaluated for payment eligibility according to the requirements of the Permanent Fund Dividend program, as given in the State of Alaska statutes and PFD regulations.

Division Eligibility Technicians use information available on current and prior year applications, or obtained through contact with the applicant and other designated parties in order to make an eligibility determination. Many cases are determined without additional applicant contact.

All applications that satisfy the eligibility requirements are processed for payment beginning the first Thursday of October each year. They are then paid on the third Thursday of each month as they become eligible.



YEAR	TOTAL APPLICATIONS RECEIVED	MARKED FOR REVIEW	ELIGIBILITY REVIEW RESULT				
			Eligible for Payment	Denied	Invalidated	Withdrawn	Undetermined
2017	672,243	252,389	211,668	27,629	4,764	509	7,819
2016	675,531	240,932	202,265	31,205	3,428	485	3,549
2015	678,689	170,048	125,336	33,130	1,802	576	9,204
2014	677,114	305,944	259,226	28,617	4,901	588	12,612

DIVISION PROCESSING ACTIVITY

Audits

The Permanent Fund Dividend Division takes steps to identify and minimize fraudulent activity as it pertains to the dividend program in accordance with statutory mandates and the Division mission. The following *audits* represent a sampling of applications that have been scrutinized and evaluated in addition to standard eligibility review.

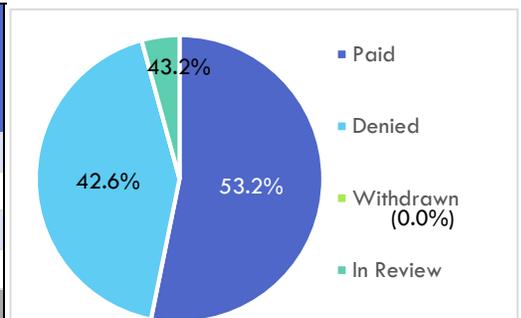
In accordance with state regulations, the Division can deny an application if it reveals that an individual has provided incorrect information, such as failing to disclose a reportable absence, to the Division.

2017 dividend dollars NOT paid to applicants due to audit identification of ineligibility: **\$2,014,100.00**

OUT-OF-STATE POSTMARK AUDIT

The Division contacts applicants for additional information if the application's postmark indicates there may be an inconsistency in the applicant's indicated presence, residency, or mailing address in Alaska at the time of filing.

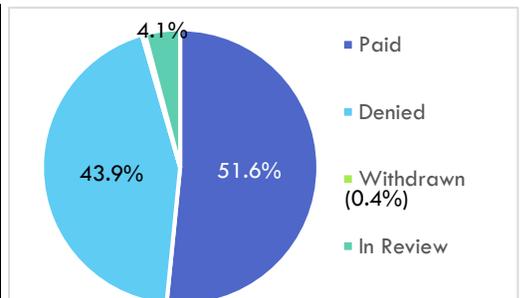
Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	25	53.19%	.62%	0.00%
Denied	20	42.55%	.49%	0.00%
Withdrawn	-	0.00%	0.00%	0.00%
In Review	2	4.26%	.05%	0.00%
Total	47	100.00%	1.16%	0.00%



OUT-OF-STATE IP ADDRESS AUDIT

The Division contacts applicants for additional information if online filing records indicate there may be an inconsistency in the applicant's indicated presence, residency, or mailing address in Alaska at the time of filing.

Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	1,873	51.58%	46.34%	0.28%
Denied	1,595	43.93%	39.46%	0.24%
Withdrawn	14	0.39%	0.35%	0.00%
In Review	149	4.10%	3.69%	0.02%
Total	3,631	100.00%	89.84%	0.55%

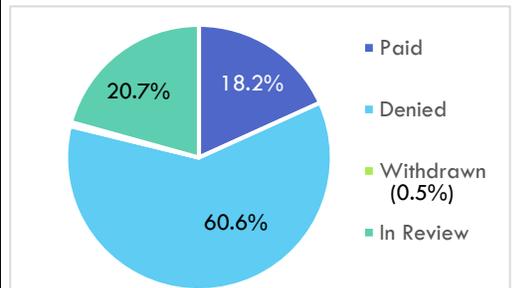


DIVISION PROCESSING ACTIVITY

NATIONAL CHANGE OF ADDRESS AUDIT

The Division contacts applicants for additional information if *NCOA records indicate there may be an inconsistency in the applicant's indicated presence, residency, or mailing address in Alaska at the time of filing.

Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	37	18.23%	.92%	0.00%
Denied	123	60.59%	3.04%	0.02%
Withdrawn	1	0.49%	0.02%	0.00%
In Review	42	20.69%	1.04%	.01%
Total	203	100.00%	5.02%	.03%

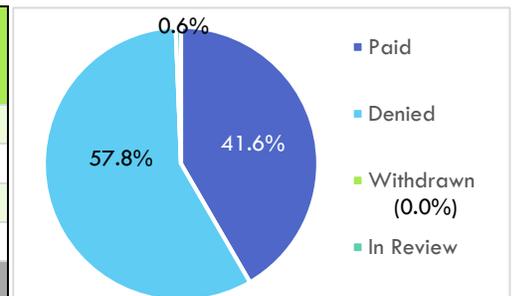


* The National Change of Address (NCOA) Audit was created in Dividend Year 2010. The United States Postal Service reports information to us on current applicants who have submitted a change of address that does not match the PFD address on file. This data is used largely to keep in contact with applicants who move after submitting an application.

ALASKA JURY QUESTIONNAIRE AUDIT

The Division contacts applicants for additional information if State Jury Duty records indicate there may be an inconsistency in the applicant's indicated presence or residency in Alaska at the time of filing.

Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	67	41.61%	1.66%	0.01%
Denied	93	57.77%	2.30%	0.01%
Withdrawn	0	0.00%	0.00%	0.00%
In Review	1	0.62%	0.02%	0.00%
Total	161	100.00%	3.98%	0.02%

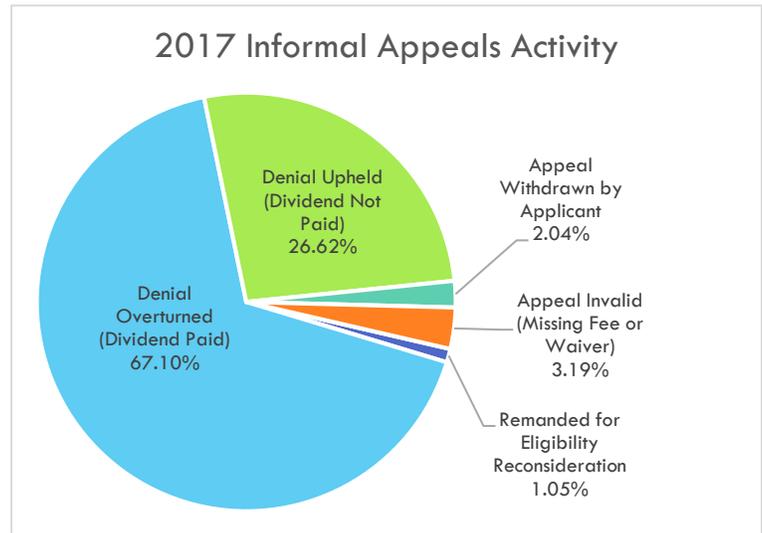


DIVISION PROCESSING ACTIVITY

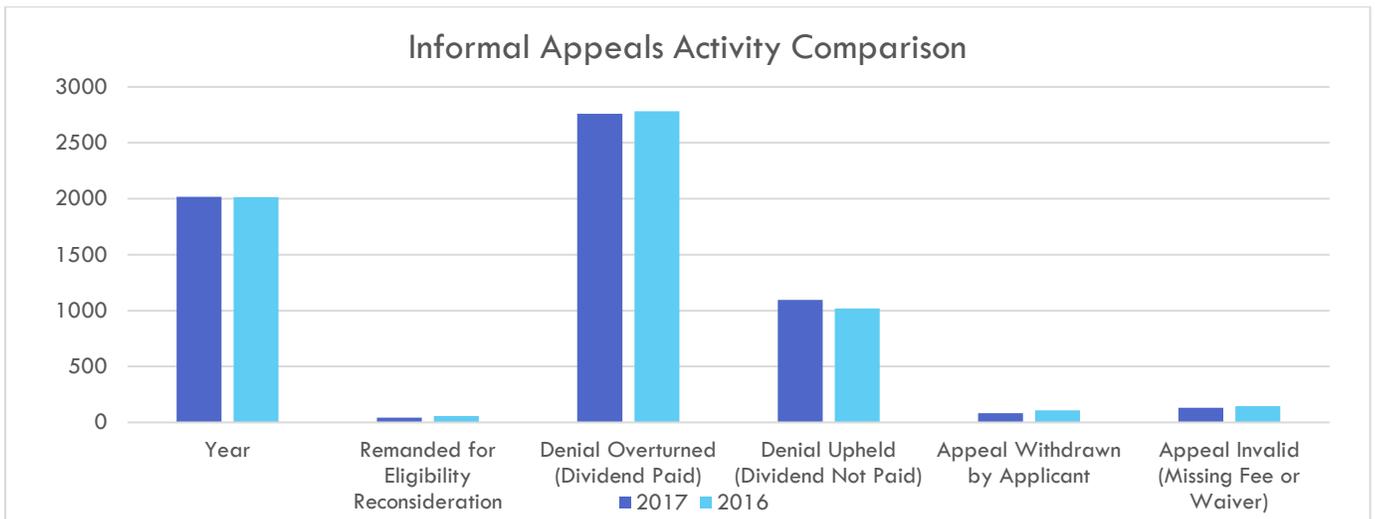
APPEALS

Informal Appeals

An ineligible individual will be issued a denial letter explaining the eligibility determination. Included with all denial letters is an Informal Appeal Form. The individual has 30 days from the date of the denial letter to file a Request for Informal Appeal, explaining why either the facts are incorrect or the law was applied incorrectly, with supporting evidence. The applicant must provide a \$25.00 appeal fee or request a waiver of the fee based on the federal poverty guidelines.



Dividend Year	Remanded for Eligibility Reevaluation	Denial Overturned (Dividend Paid)	Denial Upheld (Dividend Not Paid)	Appeal Withdrawn by Applicant	Appeal Invalid (Missing Fee or Waiver)	Total Decisions
2017	43	2760	1095	84	131	4113
2016	57	2782	1020	109	146	4114
2015	45	2555	959	166	135	3860



DIVISION PROCESSING ACTIVITY

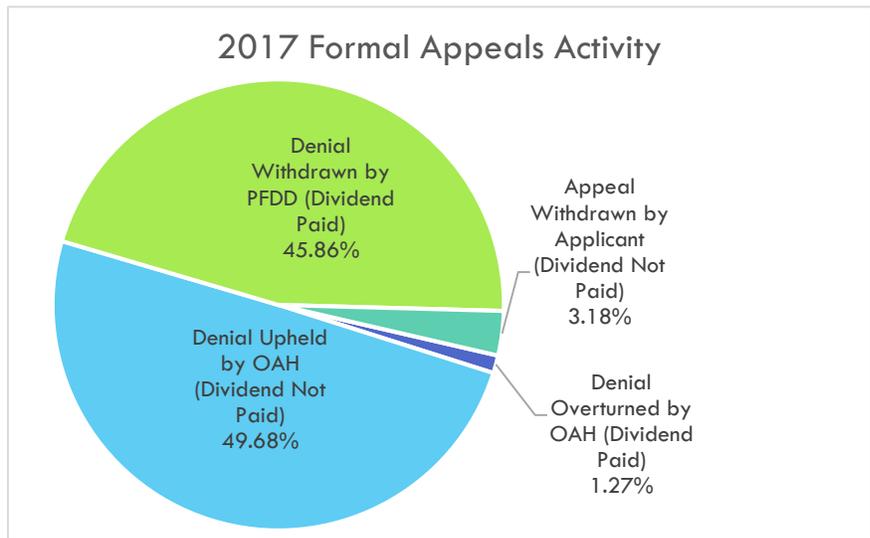
Formal Appeals

Upon receiving an Informal Appeal request, the Division Appeals Technicians review the original application with all supporting material. A letter will be sent to the applicant detailing the Informal Appeal Decision and reasoning.

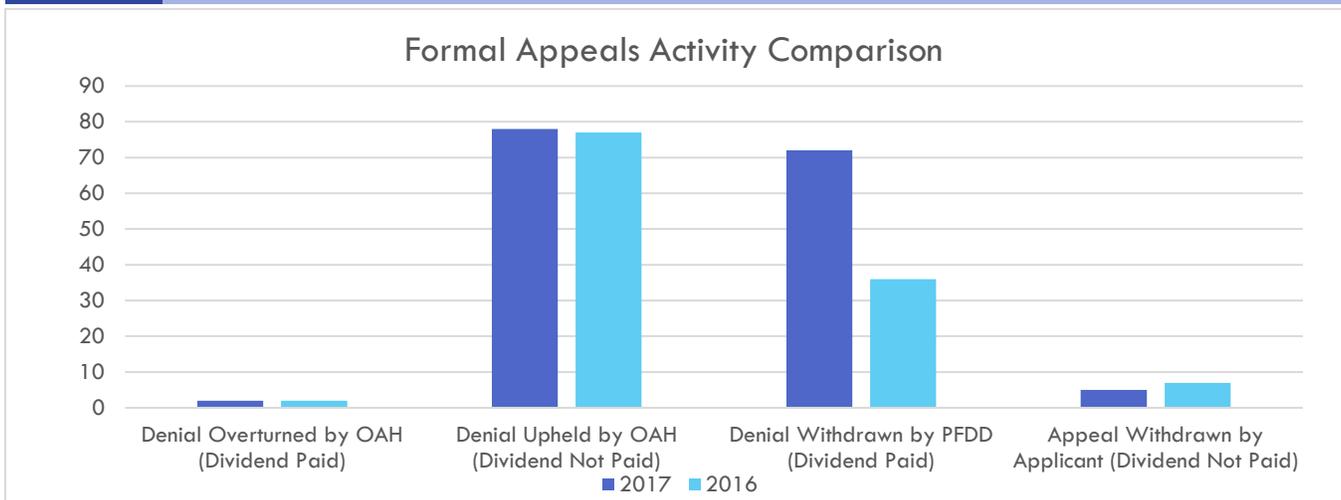
If the individual does not concur with the Division's decision, he or she has 30 days from the date of the decision letter to file a Request for Formal Hearing Appeal form, explaining and supporting their position.

A Division Specialist will prepare the Division's position and the appeal will be heard by an Administrative Law Judge with the Office of Administrative Hearings (OAH).

There is no additional fee to file the Formal Hearing appeal. However, an Informal Appeal Decision must be issued before an individual can file a Formal Hearing appeal.



Dividend Year	Denial Overturned by OAH (Dividend Paid)	Denial Upheld by OAH (Dividend Not Paid)	Denial Withdrawn by PFDD (Paid)	Appeal Withdrawn by Applicant (Not Paid)	Total Decisions
2017	2	78	72	5	157
2016	2	77	36	7	122
2015	11	79	48	13	151



DIVISION PROCESSING ACTIVITY

GARNISHMENTS AND ASSIGNMENTS

Garnishments

Under state statutes, up to 80% of a dividend may be garnished, unless by a governmental agency, which may garnish up to 100% of a dividend. Any PFD amount in excess of the total amount garnished is paid to the applicant. These garnishments will pay off debts that are owed to a variety of agencies across the state. There is a priority order for the kind of agency that will receive first option to levy garnishments. Within that priority structure, they are ordered based on the date and time stamp of submission. It is, in essence, a “first come, first serve” system within the priority order. Garnishment requests come to the PFDD directly from an agency, such as a court system or process server.

Top Ten Agency Filers	Submitted	
	Number of Requests	Amount
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	114,054	\$20,820,732.01
DEPARTMENT OF ADMINISTRATION, SSOA	75,965	\$35,546,047.12
DEPARTMENT OF ADMINISTRATION, SSOA(CORRECTIONS)	39,759	\$7,467,191.80
DEPARTMENT OF ADMINISTRATION, SSOA (PUBLIC SAFETY)	34,327	\$1,580,747.13
CLERK OF COURT - ANCHORAGE	30,048	\$283,808,903.15
DEPARTMENT OF ADMINISTRATION, SSOA (OPA PD)	28,412	\$7,205,912.52
UA COLLEGE SAVINGS PLAN - FAIRBANKS	13,959	\$0.00
CHILD SUPPORT SERVICES DIVISION - ANCHORAGE	12,443	\$7,874,830.34
CITY & BOROUGH OF JUNEAU - JUNEAU	10,989	\$1,124,744.17
United States Treasury - Individual Tax (UNITED STATES TREASURY) - FRESNO	6,368	\$56,160,584.73
Total of Top Ten Agencies	366,324	\$421,589,692.97
Total of Other Agencies	35,047	\$272,779,565.67
Total - All Garnishing Agencies	401,371	\$694,369,258.64

Top Ten Agency Filers	Paid		
	Payments	Amount	Average
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	29,572	\$3,491,031.10	\$118.05
DEPARTMENT OF ADMINISTRATION, SSOA	25,538	\$4,616,755.94	\$180.78
DEPARTMENT OF ADMINISTRATION, SSOA (CORRECTIONS)	5,903	\$806,412.79	\$136.61
DEPARTMENT OF ADMINISTRATION, SSOA (PUBLIC SAFETY)	7,416	\$221,925.48	\$29.93
CLERK OF COURT - ANCHORAGE	9,345	\$7,079,582.08	\$757.58
DEPARTMENT OF ADMINISTRATION, SSOA (OPA PD)	2,792	\$520,912.26	\$186.57
UA COLLEGE SAVINGS PLAN - FAIRBANKS	13,683	\$7,493,699.38	\$547.66
CHILD SUPPORT SERVICES DIVISION - ANCHORAGE	8,755	\$8,070,101.73	\$921.77
United States Treasury - Individual Tax (UNITED STATES TREASURY) - FRESNO	4,547	\$3,660,168.53	\$804.96
United States Treasury - Individuals (UNITED STATES TREASURY) - PHILADELPHIA	3,557	\$3,541,345.53	\$995.60
Total of Top Ten Agencies	111,108	\$39,501,934.82	
Total of Other Agencies	17,460	\$8,796,674.37	
Total - All Garnishing Agencies	128,568	\$48,298,609.19	

DIVISION PROCESSING ACTIVITY

Assignments

State statutes permit applicants to assign their dividend to a government agency or regional housing authority created under Alaska Statute 18.55.996. Any amount in excess of the liability due the assigned agency is paid to the applicant.

Assignments tend to be done on a “voluntary” basis where an individual wishes to utilize their upcoming PFD for a payment to a federal, state, municipal governmental agency, or to a court. Many of these assignments end up going towards housing payments for federal housing programs. Because these are assigned prior to the PFD calculation, it is the agency’s responsibility to either set an amount that they will accept for the upcoming PFD, or to have individuals assign percentages of their PFD. Individuals may assign up to 100% of their expected PFD, per AS 43.23.069(b).

Top Ten Assignees	Submitted	
	Number of Requests	Amount
BERING STRAITS REGIONAL HOUSING - NOME	259	\$31,390.94
TLINGIT-HAIDA REGIONAL - JUNEAU	208	\$74,518.16
CITY OF DILLINGHAM - DILLINGHAM	186	\$43,710.00
NORTHWEST INUPIAT - KOTZEBUE	131	\$0.00
AVCP HOUSING AUTHORITY - BETHEL	129	\$4,600.00
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	78	\$41,892.05
METLAKATLA POWER & LIGHT - METLAKATLA	66	\$0.00
DEPARTMENT OF H&SS, PUBLIC ASSISTANCE - JUNEAU	62	\$92.00
AK NATIVE TRIBAL HEALTH CONSORTIUM - ANCHORAGE	45	\$2,825.02
DEPARTMENT OF COMMERCE, DIVISION OF INVESTMENTS - JUNEAU	30	\$0.00
Total of Top Ten Agencies	1194	\$199,028.17
Total of Other Agencies	333	\$33,370.14
Total - All Garnishing Agencies	1,527	\$232,398.31

Top Ten Assignees	Paid		
	Payments	Amount	Average
BERING STRAITS REGIONAL HOUSING - NOME	234	\$207,926.99	\$888.58
TLINGIT-HAIDA REGIONAL - JUNEAU	192	\$124,837.90	\$650.20
CITY OF DILLINGHAM - DILLINGHAM	62	\$14,246.66	\$229.78
NORTHWEST INUPIAT - KOTZEBUE	108	\$115,194.80	\$1,066.62
AVCP HOUSING AUTHORITY - BETHEL	116	\$98,237.12	\$846.87
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	72	\$35,867.24	\$498.16
METLAKATLA POWER & LIGHT - METLAKATLA	59	\$62,452.82	\$1,058.52
DEPARTMENT OF H&SS, PUBLIC ASSISTANCE - JUNEAU	33	\$33,869.68	\$1,026.35
AK NATIVE TRIBAL HEALTH CONSORTIUM - ANCHORAGE	29	\$25,581.90	\$882.13
ALEUTIAN HOUSING AUTHORITY - ANCHORAGE	24	\$24,292.00	\$1,012.17
Total of Top Ten Agencies	929	\$742,507.11	
Total of Other Agencies	215	\$178,752.96	
Total - All Garnishing Agencies	1,144	\$921,260.07	

DIVISION PROCESSING ACTIVITY

PAYMENTS

The first dividend payment disbursement for the current dividend year begins on the first Thursday in October and continues on a monthly cycle thereafter. In 2017, payment began on October 5th. Applicants who selected the payment method of direct deposit or electronic payment have their dividends initially sent to financial institutions for deposit into checking or savings accounts. Deposit returns from financial institutions are paid via warrant in subsequent payment runs. Warrants, more commonly known as checks, are mailed to all applicants that did not select direct deposit.

If the garnished or assigned amount is less than the dividend amount, the remaining balance will be issued to the applicant by check or direct deposit, depending on their preference.

Note:

- Payment numbers below reflect payments made through December 31, 2017 only on 2017 Dividends. (See page 20 for payments of prior-year dividends)
- The total amounts shown below include funds distributed to applicants, or to agencies through garnishments, assignments, and charitable contributions.

Payments of 2017 Dividends through Dec. 31, 2017

	Applicants	Payment Method Percent	Total Amount
Applicants Paid by Direct Deposit			
Full Dividend Payment to Applicant	470,903		\$517,993,300.00
Payment to Applicant after Voluntary and/or Involuntary Deductions	59,164		\$46,208,464.00
Total Number of Applicants Paid by Direct Deposit	530,067	84.17%	\$564,201,764.00
Applicants Paid by Check			
Full Dividend Payment to Applicant	67,343		\$74,077,300.00
Partial Payment to Applicant- Voluntary and/or Involuntary Deductions	10,938		\$6,472,491.00
Total Number of Applicants Paid by Check	78,281	12.43%	\$80,549,791.00
Applicants Paid by Combination of Direct Deposit and Check			
Mixed payments, with and without deductions	16,329	2.59%	\$1,055,194.00
Total 2017 Dividends to Applicants (all categories above)	624,677	99.19%	\$645,806,749.00
Eligible Dividends Fully Reduced by Garnishments and/or Levies (Involuntary Deductions)	5,094	0.81%	\$5,603,400.00
Total 2017 Dividend Paid (Including Adjustments)	629,771	100.00%	\$651,410,149.00

DIVISION PROCESSING ACTIVITY

Applications Paid in 2017 for Prior Year Dividends

Prior year dividends may have been issued during 2017 for any the following reasons:

- Applications for the 2016 and previous year's dividends that were still in review or appeal at the end of calendar year 2016.
- Eligible Prior Year Applications for 18-year-old filers. Under regulation 15 AAC 23.133, an individual who has reached majority or who is an emancipated minor may apply for a prior year dividend. An individual who qualifies must meet all eligibility requirements for the respective prior year(s) and must file before the individual reaches 20 years of age. See Alaska Statute 43.23.055(3).
- Estate Applications and Applications for Disabled Adults. (These application types have an extended filing date of up to one year later than the filing deadline for the respective dividend year.)

Dividend Year	Dividends Paid	Dividend Amount	Total
2016	3,939	\$1,022.00	\$4,025,658.00
2015	193	\$2,072.00	\$399,896.00
2014	91	\$1,884.00	\$171,444.00
2013	74	\$900.00	\$66,600.00
2012	50	\$878.00	\$43,900.00
2011	43	\$1,174.00	\$50,482.00
2010	33	\$1,281.00	\$42,273.00
2009	34	\$1,305.00	\$44,370.00
*2008	40	\$2,069.00	\$82,760.00
2007	48	\$1,654.00	\$79,392.00
2006	36	\$1,106.96	\$39,850.56
2005	18	\$845.76	\$15,223.68
2004	16	\$919.84	\$14,717.44
2003	9	\$1,107.56	\$9,968.04
2002	13	\$1,540.76	\$20,029.88
2001	11	\$1,850.28	\$20,353.08
2000	6	\$1,963.86	\$11,783.16
1999	6	\$1,769.84	\$10,619.04
1998	4	\$1,540.88	\$6,163.52
1996	1	\$1,130.68	\$1,130.68
1995	1	\$990.30	\$990.30
1994	1	\$983.90	\$983.90
Total	4,667	--	\$5,158,588.28

* Not including the one-time 2008 Resource Rebate of \$1,200.00

DIVISION PROCESSING ACTIVITY

Three Year Comparison of Application and Payment Statuses

Numbers shown here are historically reported as of December 31st of each respective year.

Dividend Year	2017		2016		2015	
<u>Filing Activity</u>	Total	Percent Total	Total	Percent Total	Total	Percent Total
Applicants						
Adult	490,840	73.69%	493,931	73.66%	495,910	73.71%
Child	175,207	26.31%	176,668	26.34%	176,831	26.29%
Total	666,047	100.00%	670,599	100.00%	672,741	100.00%
Application Status						
Eligible for Payment	630,697	94.69%	635,997	94.84%	638,405	94.90%
Denied and not in appeal	26,781	4.02%	29,614	4.42%	25,305	3.76%
Denied and in Appeal	1,132	0.17%	1,542	0.23%	757	0.11%
In Review	7,437	1.12%	3,446	0.51%	8,274	1.23%
Total	666,047	100.00%	670,599	100.00%	672,741	100.00%

Note:

- Applications marked as "Fully Reduced" below included one or more of the following: donations, assignments, and/or garnishments.

Dividend Year	2017		2016		2015	
<u>Payment Status</u>	Total	Percent Total	Total	Percent Total	Total	Percent Total
Paid by Direct Deposit	530,067	79.58%	534,156	79.65%	532,672	79.18%
Paid by Warrant	78,281	11.75%	80,106	11.95%	86,596	12.87%
Paid by Multiple methods	16,329	2.45%	12,226	1.82%	10,979	1.63%
Fully Reduced	5,094	0.76%	8,110	1.21%	6,767	1.01%
Not paid (as of Dec. 31)	32,276	5.45%	36,001	5.37%	35,727	5.31%
Total	666,047	100.00%	670,599	100.00%	672,741	100.00%

DIVISION PROCESSING ACTIVITY

CRIMINAL INVESTIGATIONS

Reports of suspected or potential fraud against the Permanent Fund Dividend program are all reviewed as they are received by the Department of Revenue's Criminal Investigations Unit. An investigation typically is opened where initial information, such as a fraud tip, is supported by additional information available from another source. This standard helps to ensure that erroneous information does not result in withholding of dividends from eligible applicants. There are many factors considered in determining whether investigations are ultimately resolved internally by the PFD Division ("Administrative" cases) or submitted for prosecution in court ("Criminal" cases). The CIU unit does *not* evaluate PFD program eligibility.

A given Case may encompass or pertain to more than one PFD Application. For example, if the application of an Adult Sponsor is being investigated, his or her sponsored Child Applications may be included as part of the Case. Both metrics are reported here.

Investigations Case Activity in 2017	cases	% change	applications	2016 Cases
Carry-over from previous year	455	-21.69%		581
Fraud Tips Received	636	-16.86%		765
Total Caseload	1091	-18.95%		1346
Resolved (2017 and Prior)	696	-21.89%	1325	891
Carry-over to 2018	395	-13.19%		455
Resolution Status (Administrative):				
No Fraud found (case cleared)	379	-29.81%		540
Fraud found (case remanded to PFD)	149	15.50%	531	129
Fraud found (case referred for criminal prosecution)	16	-11.11%	147	18
Not screened or Investigation not started (carry forward)	40	-9.09%	222	44
Resolution Status (Criminal):				
Non-Criminal Settlement at OSP	3		7	0
Acquittals	0		0	1
Convictions	16		79	30

Funds Saved or Recovered by CIU Action in 2017	
Criminal Restitution ordered	\$91,469.12
Criminal Settlements received	\$21,188.00
Loss Due to Statute of Limitations	\$(1,174.00)
	<u>\$111,483.12</u>
Potential program savings pending resolution/action	
Total Administrative Recovery	\$673,286.56
Total Criminal Recovery	\$90,295.12
	<u>\$763,481.68</u>

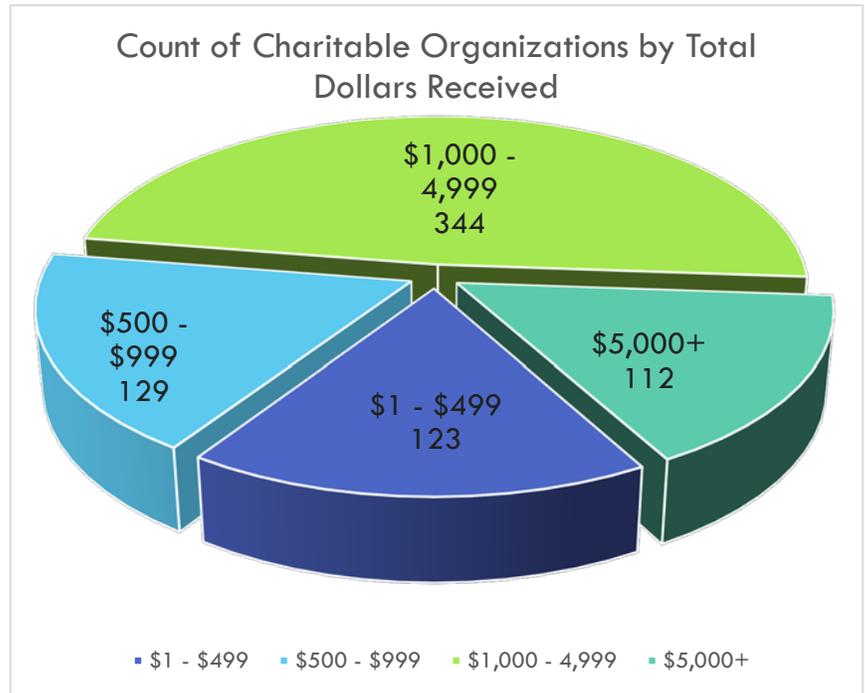
VOLUNTARY PROGRAMS

Voluntary Programs

PICK.CLICK.GIVE.

In 2009, the PFDD implemented a three-year charitable giving pilot program, Pick.Click.Give., authorized by the Alaska Legislature per statute AS 43.23.062. In 2012, it became a permanent addition to the PFD online application process.

Initially funded by the Rasmuson Foundation and managed by United Way and the Foraker Group, the program allows an applicant to electronically pledge all or a portion of their dividend to eligible Alaskan nonprofit organizations. “The program goal is to increase individual charitable giving overall, along with increasing the number of new donors to nonprofit organizations.” Additional information regarding the program can be found at www.pickclickgive.org.



Applicants are allowed to add or withdraw pledges until August 31st of each year. Pledge amounts may be reduced by other garnishments or assignments that take priority. An ineligible applicant pledge would also not be paid. Hence, the actual contributed amount is generally lower than the amounts pledged during the application period.

Amount pledged vs amount paid	
Total Dollars Pledged By Applicants	\$3,179,725.00
Pledges Withdrawn	(\$474,625.00)
Net Total Dollars Pledged	\$2,705,100.00
Total Dollars Paid to Organizations	\$2,587,569.53

Charitable Contributions Appeals

United Way of Anchorage, which acts as the Department of Revenue’s “agent”, determines if an organization is eligible or ineligible to be included in the charitable contribution list. If the organization is ineligible to be included in the charitable contribution list for the following year’s Permanent Fund Dividend electronic application, the organization is issued a denial letter explaining the reasons they are not eligible. The organization has 15 days from the date of the denial letter to file an appeal explaining and supporting their position. PFD Division Appeals Specialists prepare the case for a formal hearing and the case is heard by an Administrative Law Judge with the Office of Administrative Hearings (OAH). United Way does not participate in the appeal process. United Way only determines initial eligibility according to state law as the Department of Revenue’s agent. There is no fee to file an appeal for inclusion in the PFD Charitable Contribution list on the PFD Electronic Application.

VOLUNTARY PROGRAMS

UNIVERSITY OF ALASKA COLLEGE SAVINGS PLAN

In 1990, legislation passed that established the Alaska Education Trust Fund (AS 14.40.807) which authorized an applicant to contribute fifty percent of their dividend to the fund for education. In 1991, the name of the fund was changed to the Advance College Tuition (ACT) Payment Fund. The ACT option first appeared on the 1991 dividend applications.

In the fall of 2001, the University of Alaska developed the UA College Savings Plan program as the main program for which contributions can be made toward advanced college tuition costs. The UA College Savings Plan provides various investment strategies to individuals making contributions. Additional information regarding the plan can be found at www.uacollegesavings.com.

YEAR	APPLICANTS	TOTAL CONTRIBUTIONS
2017	13,647	\$7,473,899.38
2016	13,573	\$6,905,860.93
2015	13,593	\$14,015,930.73
2014	12,998	\$12,174,958.02
2013	12,173	\$5,442,842.99
2012	11,214	4,892,579.86
2011	9,642	5,611,270.33
2010	9,032	5,748,649.82
2009	7,910	5,012,962.90
2008	8,766	9,050,096.40
2007	8,495	6,991,936.59
2006	7,847	4,322,765.60
2005	7,482	3,150,343.08
2004	6,601	3,020,373.59
2003	5,667	3,121,888.81
2002	5,094	3,901,412.29
2001	4,464	4,107,056.79
2000	3,766	3,681,902.17
1999	3,663	3,225,384.06
1998	3,468	2,655,048.28
1997	4,426	2,861,877.87
1996	4,945	2,790,779.51
1995	5,405	2,670,684.24
1994	5,905	2,897,904.88
1993	5,925	2,806,199.41
1992	5,490	2,507,537.40
1991	5,018	2,329,943.62
Total	206,209	\$182,372,089.55

PERMANENT FUND DIVIDEND DIVISION HISTORY

Permanent Fund Dividend Division History

OPERATIONS ANNUAL CYCLE

The Permanent Fund Dividend Division's (PFDD) yearly cycle starts January 1, when the application period opens. Alaskans may submit an electronic or paper application for a Permanent Fund Dividend during the filing period, January 1 to March 31. Currently, the busiest times of the filing period are the month of January and the last two weeks of March, at the conclusion of the PFD filing season.

Applications received electronically are uploaded and electronically assessed. Applications, supporting documentation and signature pages received on paper are scanned and keyed into the Dividend Application Information System (DAIS) and then electronically processed.

The process of determining applicant eligibility begins as soon as applications are received by the Division. Applications flagged for further review by DAIS are assigned to eligibility technicians for evaluation primarily in one or more of the following areas: establishing residency, breaking Alaska residency ties, absences from Alaska, and/or having the intent to remain in or return to Alaska. Guided by State of Alaska Statutes and PFD Regulations, Eligibility Technicians use current or prior year applicant information when needed, and contact the applicant for additional information in order to make an eligibility determination. Many cases can be resolved without contacting the applicant. The current goal of the PFDD is to complete most eligibility determinations by the first Thursday in October, which is the first payment of the new dividend year.

As of March 1st, 2017, the PFD application will serve as a voter registration for the State of Alaska. Every individual who submits a completed PFD application that also meets the criteria of the Division of Elections for an eligible voter, will be registered. Elections will send out an "opt out" notice that requires an individual to fill out and return to Elections within 30 days of receipt in order to NOT be registered.

In July, the Alaska Permanent Fund Corporation (APFC) transfers dividend funds to the PFDD that will be available for the PFD distribution. The PFDD calculates the dividend amount and provides it to the Governor's office which arranges to announce the PFD dollar amount in mid to late September. Also in July, the Division's data processing and payment teams confirm applicant supplied direct deposit information through our approved financial institutions in a process called the *pre-note*. This process allows the division to verify account information accuracy and successfully process the highest percentage of requested direct deposits.

Mid-September through the end of October is considered payment season for the Division and is a busy time for public contact. During this time, most of our eligibility technicians are assigned to payment support via phone, in person or email.

During late November and early December the Division focuses on finishing the remaining work of eligibility determinations, as well as preparations for the next filing season and training. It is during this time that the Division often sees a rise in appeals for denied applications. Applicants that disagree with an eligibility determination have 30 days from the denial decision date to file an appeal. Appeals are worked on a year round basis on a first come, first served basis.

Throughout the year the Department of Revenue's Criminal Investigation Unit investigates hundreds of applications for potential PFD fraud based on tips from the public and information received from federal, state, and municipal agencies. Additionally, the Division conducts focused audits and investigates information that is obtained through the Division's internal processes, including anomalies noted in processing applications.

The PFDD has made great strides in applicant data processing as well as bringing communication technology, such as the website and phone systems, current with industry standards. We are continuing to offer more services on our myPFD applicant portal to assist Alaskans in a smooth, efficient application experience!

PERMANENT FUND DIVIDEND DIVISION HISTORY

FIVE YEAR DIVIDEND CALCULATION

The dividend amount is calculated annually. The amount of the dividend is calculated by dividing the amount available for distribution from the AK Permanent Fund Corporation (APFC) earnings account by an estimated number of eligible applicants. The calculation is based on a statutory formula under Alaska Statute 43.23.025.

Notes:

- PFC statutory net income equals realized earnings excluding income from North Slope royalty case (State vs Amerada Hess). “The formula is based on an average of the Fund’s income over five years in order to produce a more stable flow of dividend amounts from year to year.” (www.apfc.org)
- Dividend amounts are rounded to an even amount to result in an even half-amount for applicants who designate fifty percent of their dividend be contributed to the UA College Savings program (AS 14.40.807).
- During the 2016 legislative session, a decision was made to utilize a portion of the 2016 earnings toward the General Fund, assisting to eliminate the State’s financial deficit. The calculations for 2016 and 2017 were affected by this.

Dividend Calculation

Dividend Year	2017	2016	2015	2014	2013
PFD Fund Balance as of Calculation Date	\$17,552,937.57	\$11,033,944.56	\$11,488,175.55	\$10,545,821.44	\$11,663,279.62
Add Permanent Fund Earnings (5-year average)	\$725,950,000.00	\$695,650,000.00	\$1,324,794,615.8 1	\$1,234,833,864.3 5	604,149,670.30
Less Appropriations and Reductions					
Appropriations (<i>see below</i>)	\$(38,557,000.00)	\$(48,363,100.00)	\$(48,307,100.00)	(36,048,800.00)	(38,559,400.00)
Reductions (<i>see below</i>)	\$(673,377.31)	\$(480,761.79)	\$(854,454.05)	(766,480.03)	(1,027,826.41)
Total Appropriations and Reductions	\$(39,230,377.31)	\$(48,843,861.79)	\$(49,161,554.05)	(36,815,280.03)	(39,587,226.41)
Total Amount Available for Dividends	\$704,272,560.26	\$657,840,082.77	\$1,335,428,337.3 1	\$1,208,564,405.7 6	\$576,225,723.51
Estimated Eligible Applicants	640,245	643,678	644,511	641,489	640,249
Dividend Amount	\$1,100.00	\$1,022.00	\$2,072.00	\$1884.00	\$900.00

PERMANENT FUND DIVIDEND DIVISION HISTORY

Appropriations and Reductions Detail

Appropriations	2017	2016	2015	2014	2013
Department of Health and Social Services	\$17,724,700.00	\$17,724,700.00	\$17,724,700.00	\$17,724,700.00	\$17,474,700.00
(Hold-harmless provision for public assistance programs)					
Department of Corrections	\$11,591,000.00	\$20,236,900.00	\$20,830,400.00	\$8,445,900.00	10,047,400.00
Department of Revenue, PFD Division	\$8,218,800.00	\$8,990,100.00	\$8,241,900.00	\$8,245,500.00	9,920,900.00
Department of Administration					
Violent Crimes Compensation Board	\$1,022,500.00	\$1,411,400.00	\$1,510,100.00	\$1,502,700.00	1,116,400.00
Total Appropriations	\$38,557,000.00	\$48,363,100.00	\$48,307,100.00	\$36,048,800.00	\$38,559,400.00

Reductions	2017	2016	2015	2014	2013
Reserve for Prior Year Dividend Liabilities	\$180,335.59	\$233,438.95	\$255,218.83	\$227,426.85	\$294,858.33
Reserve for 18-year-old Filers	\$447,041.72	\$201,322.84	\$553,235.22	\$471,053.18	612,968.08
Reserve for 2008 Resource Rebate Payments	\$46,000.00	\$46,000.00	\$46,000.00	\$68,000.00	120,000.00
Total Reductions	\$673,377.31	\$480,761.79	\$854,454.05	\$766,480.03	\$1,027,826.41

CONTACT INFORMATION

Contact Information

For general information visit us at www.pfd.alaska.gov.

You can track your application and requested documents by clicking the following button on our website.

myPFD

You can also request information via email to:

dor.pfd.info@alaska.gov

To report a fraud tip e-mail:

pfdfraud@alaska.gov or call (907) 465-2654

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